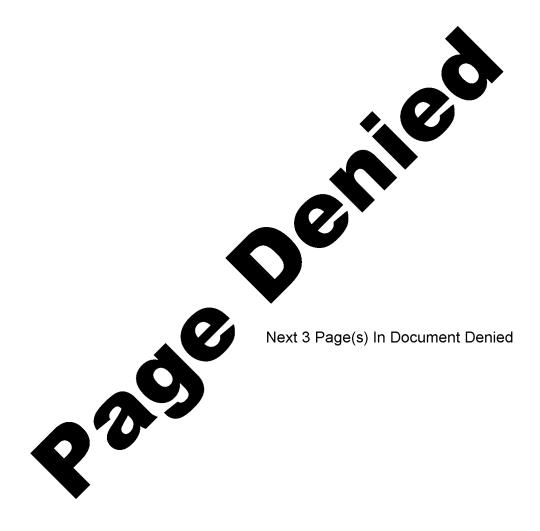
STAT



LEVERETT SALTONSTALL, MASS., CHAIRMAN STYLES BRIDGES, N. H. RALPH E. FLANDERS. VT. MARGARET CHASE SMITH, MAINE ROBERT C. HENDRICKSON, N. J. FRANCIS CASE, S. DAK. JAMES H. DUFF, PA. JOHN SHERMAN COOPER, KY.

RICHARD B. RUSSELL, GA. HARRY FLOOD BYRD, VA. LYNDON B. JOHNSON, TEX. ESTES KEFAUVER, TENN. LESTER C. HUNT, WYO. JOHN C. STENNIS, MISS. STUART SYMINGTON, MO.

United States Senate

COMMITTEE ON ARMED SERVICES

June 28, 1954

Mr. Walter Pforzheimer 2430 E Street, N. W. Washington, D, C.

The Senate Committee on Armed Services has a continuing interest in commodities which are classified as strategic and critical to the national defense.

The enclosed clipping from the NEW YORK POST of June 22 has come to our attention.

We should appreciate your furnishing us with an informal, unclassified evaluation of the editorial. Your evaluation will not be made public, but merely used to assist us in properly understanding the worldwide mercury situation.

Sincerely yours,

Fred B. R hodes. Chief Counsel

Preparedness Investigating Staff Senate Committee on Armed Services

Enclosure

NEW YORK POST

June 22, 1954

(Editorial)

"FRANCO'S GAME

Not many days ago General Franco, in an exclusive audience granted Roy Howard, offered his counsel to the free world. He announced it is time for a total trade embargo on all Communist nations.

There now appears to be evidence that Franco is deeply engaged in the business he professes to deplore.

The matter is raised by Norman Thomas, who holds a document in his hands. The document is the magazine Iberica, monthly bulletin published by anti-totalitarian Spaniards, which makes these charges:

Franco is peddling strategic mercury to the Soviet and satellite lands for the U.S.S.R. atomic program.

Franco's mercury plant in Madrid, completed last June with the aid of U.S. equipment, withheld supplies from world markets to boost prices.

A bigger deal is now reported in the works whereby Spain would send more strategic metals to the Soviets in exchange for the return of Spanish prisoners.

While El Caudillo orates about an embargo on all trade between East and West, Spain remains the largest single exporter of lead to the U.S.S.R. in 1953.

By current standards, any one of these charges should have created a small bombshell. But not even a tiny Congressional inquiry appears to be in prospect."